



## Meeting Minutes of the IT Investment Board

**August 5, 2003**

### **Attendance**

#### **Members**

Hiram Johnson; John C. Lee, IV; James F. McGuirk, II; Dr. Mary Guy Miller; Len Pomata; The Honorable George C. Newstrom (ex officio—voting); Walter Kucharski (ex officio—non-voting).

#### **Office of the Secretary of Technology and VITA Staff**

Deputy Secretary of Technology Eugene Huang; Assistant Secretary of Technology Judy Napier; Executive Assistant to the Secretary of Technology Fionna Matheson; Deputy Chief Information Officer Cheryl Clark; VITA Director of Human Services Velma Ballard; VITA Director of Computer Services Leslie Carter; VITA Director of Telecommunications & Networking Services Bob Davidson; VITA Director of Business Systems Services Debbie Dodson; VITA Chief Financial Officer Austin Matthews; VITA Director of Customer Support Services Chris Saneda; VITA Director of Strategic Management Services Jerry Simonoff; VITA Director of Acquisition Services Susan Woolley; Special Assistant to the Deputy CIO Jenny Hunter.

#### **Guests**

Jack Akers (NGIT); Tracy Baynard (McGuire Woods Consulting); Matt Benedetti (Capital Strategies); John Boney (TEKsystems); Bill Casey (Unisys); Dave Cavan (AMS); Sheryl Chasse (TEKsystems); David Dechiava (CISCO Systems); Beth DeHaven (Microsoft); Mike Gleason (Dept. of Planning and Budget); Mitchell Goldstein (JCOTS); Bruce Gordon (VITA); Karen Helderman (Auditor of Public Accounts); Bernie Hill (VITA); Diane Horvath (VITA); H. F. Jones (Venturi Tech Partners); Anne Leigh Kerr (Troutman Sanders); Mike King (Northrop Grumman); C. W. Laugerbaum (Venturi Tech Partners); Josh Levi (Northern Virginia Tech Council); Eric Link (JCOTS); Fred Norman (CVC, LLC); Dee Piscella (Dept. of Corrections); Jason Powell (JLARC); Murali Rao (VDOT); Caroline Rapping (AMS); The Honorable Anita Rimler (Secretary of the Commonwealth); Lemuel Stewart (Executive Partners); Amigo Wade (Div. of Legislative Services); Brooke Watson (Advantus Strategies); John Westrick (Office of the Attorney General); Chris Whyte (VECTRE Corp.); Kristina Wilhite (Dept. of Social Services).

#### **Call to Order**

Secretary of Technology George C. Newstrom as de facto chairman called the meeting to order at 2:40 p.m. He welcomed the members to the first meeting of the Information Technology Investment Board and recorded the presence of seven of the ten members by roll call.

Secretary Newstrom provided an overview of the agenda and referenced the list of Board members (Enclosure 1), the VITA organization chart and leadership biographic information (Enclosure 2), the enabling legislation for the IT Investment Board (Enclosure 3), and the enabling legislation for the Virginia Information Technologies Agency—VITA (Enclosure 4).

## **Adoption of Bylaws**

Secretary Newstrom introduced the Interim Bylaws for the Information Technology Investment Board required to conduct the business of the Board. The Interim Bylaws were adopted from other Commonwealth of Virginia Boards and modified to take into account the requirements of the statutes creating the IT Investment Board and VITA. Len Pomata moved to adopt the Interim Bylaws and the motion was seconded by John Lee, IV. The motion carried 6-0 and the Interim Bylaws were adopted. Secretary Newstrom encouraged the members to suggest modifications to the Interim Bylaws in advance of the next meeting, per Article X of the Interim Bylaws.

## **Election of Chair**

Secretary Newstrom introduced the next agenda item, the election of the chairman. The statute creating the IT Investment Board requires that members are appointed by the Governor and the legislature. The statute includes specific language to elect a chairman and a vice chairman for the Board. Secretary Newstrom called for nominations for the chairman. Dr. Mary Guy Miller nominated Secretary Newstrom and her motion was seconded by John Lee, IV. Upon his nomination for chairman, Secretary Newstrom turned the meeting over to James McGuirk. Mr. McGuirk called for additional nominations. Hearing none, he called for a vote on the election of Secretary Newstrom to chair the Board. The vote carried 6-0 and Secretary Newstrom was elected chairman. The Board agreed to elect a vice chairman at its next quarterly meeting in October.

## **Chief Information Officer: Search Process**

Secretary Newstrom stated one of the major activities of the IT Investment Board is to find, select, and hire a Chief Information Officer (CIO). Until such time the CIO is hired, the legislation creating VITA stipulates that the Secretary of Technology shall continue to serve as the CIO. The legislation does not mandate a specific timeframe for hiring the CIO. Secretary Newstrom suggested the CIO be in place prior to the 2004 General Assembly session, preferably by the end of the 2003 calendar year.

Board members discussed the responsibilities and powers of the CIO. Secretary Newstrom referred them to the requirements of the legislation creating VITA and explained that it was the job of the Board to develop the specific job description, salary and benefits package, and necessary qualifications. The CIO will be under contract to the Board for a period of five years.

Secretary Newstrom recommended forming a committee of the Board to create the job description, work with the Department of Human Resource Management, and look into working with an executive search firm. The Board agreed to form a CIO Search committee. Secretary Newstrom stated Chris Caine had volunteered to serve on the committee and sought additional volunteers. The committee members include the Chairman, Chris Caine, Hiram Johnson, and Len Pomata. The committee will begin to work immediately and may need to call additional Board meetings throughout the selection and hiring process.

## **The Virginia Information Technologies Agency (VITA)—An Update**

Secretary Newstrom introduced Jenny Hunter who is providing interim staff support to the Board while the search for the executive director is underway. Secretary Newstrom introduced Deputy Secretary of Technology Eugene Huang, Assistant Secretary of Technology Judy Napier, and Executive Assistant to the Secretary of the Technology Fionna Matheson. Secretary Newstrom thanked John Westrick of the Office of the Attorney General for providing a presentation to the

Board on the Virginia Freedom of Information Act and the State and Local Government Conflict of Interest Act scheduled for later in the meeting. Mr. Westrick is legal counsel to the Board.

### **Introduction of the VITA Leadership Team**

Secretary Newstrom introduced Deputy Chief Information Officer Cheryl Clark who led the transition effort to stand up VITA and came to the Secretariat from the Department of Motor Vehicles.

Ms. Clark thanked the Board for the opportunity to update them on the activities and accomplishments of VITA and asked the eight members of the VITA leadership team to introduce themselves to the Board, including:

- Debbie Dodson, Director of Business Systems Services, formerly of the Department of Motor Vehicles and Virginia Dominion Power;
- Bob Davidson, Director of Telecommunications & Networking, formerly of the Department of Information Technology and Bell Atlantic;
- Velma Ballard, Director of Human Services, formerly of the Department of Housing and Community Development;
- Leslie Carter, Director of Computer Services, formerly of the Department of Information Technology and the City of Hampton;
- Susan Woolley, Director of Acquisition Services, formerly of Capital One and Hallmark Cards, Inc.;
- Austin Matthews, Director of Financial Management Services and Chief Financial Officer, formerly an independent consultant and formerly of the Smithsonian Institution;
- Jerry Simonoff, Director of Strategic Management Services, formerly of the Department of Technology Planning and the Council on Information Management; and
- Chris Saneda, Director of Customer Support Services, formerly of the Department of Alcoholic Beverage Control and Honeywell International.

Secretary Newstrom stated that the search for the Director of Security Services is currently under way. He emphasized the diversity of experience and backgrounds of the VITA leadership team and their role in supporting the work of the Board.

### **The Consolidation Effort**

Secretary Newstrom recognized Ms. Clark who provided a presentation on the consolidation effort to date (Enclosure 6) and answered members' questions. Ms. Clark highlighted the following accomplishments:

- Created VITA on July 1 by consolidating the Department of Information Technology, Department of Technology Planning, and Virginia Information Providers Network.
- Developed draft Memorandum of Agreement (MOA).

- Conducted a human resources “Due Diligence” assessment.
- Jointly with agencies, notified all IT employees of their relationship to VITA. According to preliminary estimates, VITA will have approximately 1,300 employees. Approximately 900 IT employees who support agency-specific applications will remain with their agencies.
- Created a new Web identity for the Commonwealth of Virginia as Virginia.gov.
- Adopted a series of operating “best practices.”
- Established VITA’s service families.
- Undertook an extensive communications and culture campaign.
- Determined VITA’s explicit value proposition of operational excellence.
- Partnered with customer agencies, including the Virginia Department of Transportation.
- Set up new administrative systems and began policy development to support VITA as a new agency.
- Restored \$3.7 million in budget cuts to “make whole” small and medium agencies. Secretary Newstrom is working with Secretary of Finance John Bennett to address large agencies.
- Launched ProReform, a comprehensive procurement reform effort.
- Established VITA’s new Headquarters at 411 East Franklin Street in downtown Richmond.
- The IT Investment Board has been appointed and is meeting for the first time.
- Established the top leadership team for VITA.
- Lived up to VITA’s promises, commitments, and legislative mandates, particularly no layoffs, putting people first, assuring business continuity, inviting stakeholder-driven processes and solutions, and communicating regularly with stakeholders.

Ms. Clark identified several challenges and risks to VITA’s successful integration, including pace and scope; transformation of culture in state government; the shift from agency-by-agency thinking to enterprise thinking; establishment of an investment approach to technology; and competing priorities.

Ms. Clark noted next steps include the finalization of the Draft VITA Operating Plan issued on August 1, 2003, on or before August 30, 2003; consolidation of small agency services and staff; planning medium and large agency consolidations; implementation of first wave of cost take-out initiatives and service improvements; and building out a viable funding and investment model. As required by Executive Order 50 (Enclosure 7), VITA will provide a Quarterly Status Report beginning October 1, 2003.

## **Overview of VITA's Draft Operating Plan**

Ms. Clark asked Director of Strategic Management Services Jerry Simonoff to provide an overview of VITA's Draft Operating Plan delivered to the General Assembly on August 1, 2003. Mr. Simonoff highlighted the contents of the Operating Plan and pointed out the themes of incorporating best practices in government and in the private sector; establishing a value proposition; and measuring performance. The Draft MOA is included in the Draft VITA Operating Plan. Mr. Simonoff invited the Board to provide comments on the Plan by August 15, 2003.

Secretary Newstrom described the close working relationship between the executive and legislative branches of government with respect to technology. Technology-related legislation is typically referred to the Senate General Laws Committee headed by Senator Walter Stosch, one of the chief patrons of the legislation creating VITA. Technology-related legislation on the House side is typically referred to the House Science and Technology Committee headed by Delegate Joe May. Other groups include the Joint Commission on Technology and Science (JCOTS) chaired by Delegate May and the Joint Legislative Audit and Review Commission (JLARC) chaired by Senator Kevin Miller. The House Appropriations Committee chaired by Delegate Vincent Callahan and the Senate Finance Committee chaired by Senator John Chichester are also significant partners.

## **Overview of Virginia Freedom of Information Act and State and Local Government Conflict of Interest Act**

Secretary Newstrom said the legislation creating the IT Investment Board states that the Board is a public board. As such, it has specific requirements mandated by statute that the Board must abide by, particularly the Virginia Freedom of Information Act (FOIA) (Enclosure 8) and State and Local Government Conflict of Interest Act (Enclosure 9). Secretary Newstrom recognized John Westrick of the Office of the Attorney General. Mr. Westrick, legal counsel to the Board, provided an overview of FOIA and the Conflict of Interest Act (Enclosure 10) and answered members' questions.

Mr. Westrick suggested the members review the ethics section of the Public Procurement Act. Walter Kucharski recommended Mr. Westrick provide a presentation on supervisory boards and responsibilities. Secretary Newstrom suggested the next quarterly meeting of the Board and Mr. Westrick agreed.

## **Other Business**

Secretary Newstrom asked the Board members to review the materials distributed in the meeting, particularly the VITA Draft Operating Plan and the Interim Bylaws. He referenced the quarterly meeting schedule (Enclosure 11) and stated final times and locations will be published in advance of the meeting, including the most recent VITA Quarterly Status Report.

Secretary Newstrom recognized Mr. Pomata who commended VITA for all the work it had completed to date. Secretary Newstrom recognized Dr. Miller who stated a great deal of work had been completed, is interested in next steps, and believes the VITA leadership team is strong. Secretary Newstrom recognized Mr. McGuirk who stated he was pleased to see the emphasis placed on the difficulty of change management. He congratulated the team for putting cultural transformation at the forefront. Secretary Newstrom recognized Mr. Lee who thanked everyone for their presentations and stated he looked forward to working with the

Board and the entire team. Secretary Newstrom recognized Mr. Kucharski who thanked the Board members.

### **Delegation of responsibilities**

Secretary Newstrom asked for a motion to delegate certain of its enumerated powers and duties to the Chief Information Officer, to facilitate the efficient and effective operation of VITA in routine matters and business processes that should not require action by or approval of the Board, specifically:

- the approval of strategies, standards, and priorities (which are typically promulgated as agency policies, guidelines, procedures, and guidance documents) for the use of information technology for state agencies in the executive branch of state government (subdivision 4 of Section 2.2-2458);
- the approval of statewide technical and data standards for information technology and related systems (subdivision 6 of Section 2.2-2458);
- the approval of statewide information technology architecture and related set of system standards (subdivision 7 of Section 2.2-2458); and
- for calendar year 2003 only, the submission, on or before September 1, of a list of recommended technology investment projects and priorities for funding such projects to the Governor and the General Assembly (subdivision 10 of Section 2.2-2458).

Mr. McGuirk made the motion and it was seconded by Mr. Johnson. Following discussion, the motion was amended to state:

The Board delegates certain of its enumerated powers and duties to the Chief Information Officer, *to be reviewed at the time a new Chief Information Officer is hired*, specifically,

- the approval of strategies, standards, and priorities (which are typically promulgated as agency policies, guidelines, procedures, and guidance documents) for the use of information technology for state agencies in the executive branch of state government (subdivision 4 of Section 2.2-2458);
- the approval of statewide technical and data standards for information technology and related systems (subdivision 6 of Section 2.2-2458);
- the approval of statewide information technology architecture and related set of system standards (subdivision 7 of Section 2.2-2458); and
- for calendar year 2003 only, the submission, on or before September 1, of a list of recommended technology investment projects and priorities for funding such projects to the Governor and the General Assembly (subdivision 10 of Section 2.2-2458).

The amended motion was carried 6-0, and the responsibilities were delegated to the CIO.

## **Public Comment**

Secretary Newstrom opened the floor to public comment and recognized Dee Pisciella of the Department of Corrections. Ms. Pisciella stated she was the CIO of the largest state agency and remarked that the first meeting of the Board was an historic occasion. She said VITA does not issue “commandments” but works in partnership with its customer agencies, leading to mutual success. She stated that her staff cannot wait to become VITA employees.

Secretary Newstrom thanked Ms. Pisciella for her comments. He recognized the business partners in the room and thanked Josh Levi of the Northern Virginia Tech Council (NVTC) for coming to the meeting.

## **Adjourn**

Secretary Newstrom thanked the members for coming and adjourned the meeting at 4:20 p.m.